

### **Submission of Evidence to Scrutiny - EAS Value for Money 2017-18**

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**Date** 22 May 2018

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## **Background**

The Education Achievement Service (EAS) provides a Regional Business Plan on an annual basis. Alongside this the EAS provides a mid-year review on progress towards the plan and the Annex for NCC. In addition, a number of reports are provided to Members throughout the year to enable scrutiny in a number of key areas. The EAS have provided Value for Money (VfM) reports to all local authorities across the region for the last 2 years. The EAS will be reporting VfM on a regional level set against the previous year Business Plan.

Members will be aware the EAS was inspected by ESTYN in May 2016. The report noted: Overall, the EAS is making good progress in establishing its approach to assess and report on value for money, although aspects are not yet refined enough. A recent value for money report to the Joint Executive Group includes a high-level overview that notes above average performance improvement whilst funding has been reduced by 20.9% between 2012-2013 and 2016-2017. This approach considers appropriately the resources applied to the work of challenge advisers, school-to-school developments and training at local authority level and notes the categorisation of each school at local authority level. This type of analysis enables the resources used and value for money to be considered in the light of future changes to categorisation of schools overall and for each local authority.

This inspection area was subsequently graded as Good for resource management.

Historically the VfM reports have been lengthy documents and have not provided an Executive Summary of the main messages within the fuller report. The VfM report for 2017/2018 has a focus purely on the regional service and the regional impact set against a number of criteria.

Members will also note that the report does not break down the information to specific Newport CC detail. The VfM report focuses entirely on the impact of the regional service set against a number of measurable outcomes. This will be the approach going forward. Newport CC will have received a number of detailed reports throughout the academic year such as: LA specific Outcomes (Foundation Phase, key stages 2,3 and 4, Categorisation overview, Estyn inspection outcomes.

To improve the current processes and to provide a more balanced independent approach to the review of the regional VfM report an external expert in the field was commissioned to write an evidence-based report on the previous financial year. A pen portrait of the external consultant, Rod Alcott, former Wales Audit Office employee can be found in Appendix 2.

## **The report**

The full content of the regional school improvement VfM 2017/2018 report can be found in **Appendix 1**.

## **What is Value for Money?**

VfM or cost effectiveness, is a measure of how well resources are being used to achieve intended outcomes. Good value for money is the optimal use of resources to achieve intended outcomes. VfM is usually measured by considering:

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- **Economy:** minimising the cost of resources used while having regard to quality (inputs) – spending less;
- **Efficiency:** the relationship between outputs and the resources used to produce them – spending well; and
- **Effectiveness:** the extent to which objectives are achieved (outcomes) – spending wisely.

Whilst the above represent the traditional method of measuring VfM it is also possible to include two further dimensions:

- **Equity:** the extent to which services are available to and reach all people that they are intended to – spending fairly. Equity is sometimes included within considerations of effectiveness but is treated separately here to highlight its importance to the work of EAS; and
- **Sustainability:** an increasingly standard consideration within the context of the Well Being of Future Generations Act (WBFGE) – spending for the long term.

#### **External Judgement of the EAS**

Assessing the outcomes of VfM against the criteria outlined above the conclusion is that:

**EAS is providing good value for money because overall outcomes are improving from a reduced level of spending as a result of resources being used efficiently, fairly and in a sustainable way; with consequent benefits for schools and pupils across the region.**

This conclusion has been arrived at because:

- EAS is delivering its services to all schools across the region while spending less;
- improved management, reconfiguration and increased delegation are allowing EAS to maintain the quality of its support to schools across the region from a reduced resource base;
- EAS support to schools has resulted in improvement in categorisation outcomes, Estyn inspection outcomes and pupil outcomes, but with concerns regarding the pace of progress within the secondary phase remaining too slow and too variable;
- differentiated support and building strong school to school support across the region's schools is reducing inter school variability; and
- sustainability is being addressed through increased finance management capacity and an emphasis upon a cost-effective self-sustaining school to school improvement system across the region.

The evidence that underpins the above statements is set out within the main body of the external report found in **Appendix 1**.

It is important to recognise that while outcomes are a valid measure of effectiveness in assessing the VfM provided by EAS it is also important to note that outcomes cannot be attributed solely to the work of the regional consortium, as other partners in the system also play an important role. The role of school leaders and governing bodies in holding these leaders to account are a key factor in securing school improvement.

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The improvements that are required at regional and LA level will continue to require a strong commitment to partnership working to be successful; with each LA making full use of their statutory powers, as appropriate, and wider support services such as HR to ensure that all schools make improvements at the required pace.

School leaders in schools across the region requiring the most improvement will need to fully engage with the improvements that need to be made and, alongside governing bodies, will need to drive forward this change at pace. The EAS will offer support and challenge through this process but will not be able to effect change on a whole level without the commitment from each tier within the system.

Recommendations contained within the external report on VfM:

Develop a framework for on-going analysis of VfM throughout the year that enables EAS to form a clear judgement on whether VfM is being secured. The approach needs to be one that embeds VfM as part of an on-going process throughout the year, rather than a one-off retrospective review annually. Such an approach will require:

- ensuring VfM is considered in the planning, implementation, monitoring and evaluation of service delivery;
- including VfM analysis within the self-evaluation process;
- including VfM review within a forward work programme for all governance groups;

Develop a robust Medium Term Financial Strategy (MTFS) that:

- provides a clear and concise view of future sustainability and the decisions that need to be made to balance the financial implications of objectives and policies against constraints in resources; and
- forms the pivotal link that translates the organisation's ambitions and constraints into deliverable options for the future.

Work with other consortia to develop a national framework for assessing VfM at a regional level to encourage the sharing of good practice and ensure consistency of approach.

### **Background Papers**

Appendix 1.

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